



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities



DHCD Evictions Budget Language Update

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DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



- FY 20 Budget Language tasked DHCD with working with the Virginia Housing Commission to evaluate the impact of the 2019 evictions related legislation and recommend if any further action is necessary to complement these efforts.
- DHCD also received funding for a position to coordinate research on evictions best practices and assess current services.

Prevention

- Interventions that prevent a tenant from receiving an unlawful detainer (UD) in the first place
 - Examples Include:
 - Emergency Rental Assistance
 - Affordable Housing Resources
 - Financial Management/Counseling
 - Landlord-tenant Mediation

Diversion

- Interventions that prevent a tenant from receiving an eviction judgement after receiving an unlawful detainer (UD)
 - Examples include:
 - Legal Representation and Resources
 - Emergency Rental Assistance (post UD)
 - Landlord-Tenant Mediation/Payment Plans

- **Indicators of Evictions**

- Cost Burdened: In Virginia between 2013 and 2017, approximately 1 in 2 rental households were paying 30 percent or more of their income towards rent
- Lack of legal representation
- Household size: Even though families are a protected class, studies illustrate that families with children are more likely to receive an eviction notice

Eviction Consequences & Impacts

- Job loss
- Residential Instability and Poor Housing Quality
- Poor physical and mental health
- Limits future housing options

Snapshot of Evictions in Virginia

- Approximately one third of Virginians rent a home.
- One in two renters statewide pay 30 percent or more of their income on rent.
- Cost burden is felt most acutely by low income renters that make between 30 and 80 percent AMI.
- Localities in Virginia with higher eviction rates tend to have a higher percentage of rental units and more cost burdened renters.
- Over half of all households are renter occupied in Petersburg, Norfolk, and Richmond.

Snapshot of Virginia's Existing Resources

- Outreach & Education
 - 211 VIRGINIA
 - Virginia Poverty Law Center Eviction Helpline
- Housing Standards & Enforcement
 - Virginia Statewide Building and Maintenance Code (Locally enforced)
- Legal Resources for Tenants
 - Virginia does not offer right to an attorney for indigent tenant cases but FY 20 budget increased Legal Aid funding by \$1.275 million annually for additional 17 housing attorneys in legal aid offices across the state
 - Legal aid organizations and self-help websites exist
- Resources & Supports
 - TANF Diversion Program (DSS)
 - State Rental Assistance Program (DBHDS)
 - Flexible Funding (DBHDS)
 - Utility Assistance (DSS & other local partners)
 - Housing Counseling (VHDA & other local partners)

Snapshot of Existing Local Resources for Evictions in Virginia

- Richmond Eviction Diversion Pilot Program
- Arlington Eviction Prevention Program
- Only two localities have formal programs and both are designed to intervene at different stages in the eviction process
- Current state programs are limited in scope
- There are non-profit organizations in other areas that have rental assistance but these organizations are not in every local jurisdiction

Impact of Evictions Legislation from 2019 General Assembly

- Legislation has been in effect for only 5 months, too early to determine impacts on tenants and landlords of legal reforms
- Legislative Reforms are excellent complement to EO 25 and Governor Northam's commitment to reducing evictions as a top housing priority
- Eviction Diversion Pilot program through the Executive Secretary will be launched in July 2020
- Early analysis demonstrates the need for local programs to complement this court pilot program with locally administered prevention and/or diversion financial assistance for tenants

Best Practice Policy Option:

Incentivize Locally Administered Eviction Prevention and/or Diversion Programs

- Competitive process to incentivize locally administered prevention and/or diversion programs similar to Arlington and Richmond
- Local or regional eviction reduction efforts could apply for assistance to implement local prevention and/or diversion programs
- Need to provide local match
- A systems approach is taken to utilize existing resources, collaborate with local departments of social services, and link individuals to legal aid resources

Evidence of Financial Assistance Working in Other States

- Interventions that increase household income and reduce cost burden have been associated with fewer evictions:
 - Milwaukee—Rental assistance through the American Recovery and Reinvestment Act was associated with a *15 percent decrease in formal evictions*
 - Lansing, Michigan—Eviction Diversion Program was associated with a *13 percentage point decrease in the number of evictions* through a combination of legal aid, tenant outreach, and financial assistance (similar structure to the Richmond Eviction Diversion Program)
 - California—Medicaid expansion was associated with a *11 percent decrease in evictions on average* (concentrated in counties with the highest no insurance rates pre-expansion)

- DHCD will continue to monitor and evaluate the impacts from the 2019 evictions legislative package with more robust information available before 2021 General Assembly when all legislation has been implemented
- DHCD will continue researching additional best practices from other localities and states with a particular focus on assessing ways the state can incentivize better coordination of resource delivery at the local level
- Early research demonstrates that eviction prevention and diversion programs with financial assistance included for tenants can reduce eviction rates and improve outcomes for tenants and landlords

Questions?